



Agenda Date: 6/06/01

Agenda Item: 4D

**STATE OF NEW JERSEY**

***Board of Public Utilities***

*Two Gateway Center*

*Newark, NJ 07102*

**TELECOMMUNICATIONS**

IN THE MATTER OF THE PETITION )  
FOR AN ORDER AUTHORIZING )  
GILLETTE GLOBAL NETWORK, INC. )  
TO PROVIDE LOCAL EXCHANGE )  
TELECOMMUNICATIONS SERVICES )  
THROUGHOUT NEW JERSEY )

**ORDER OF APPROVAL**

DOCKET NO. TE00100817

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter dated October 26, 2000, Gillette Global Network, Inc. (Petitioner or Gillette) filed a petition with the Board of Public Utilities (Board) requesting authority to provide local exchange services throughout the State of New Jersey. Petitioner also requested that the financial documents included in the petition be afforded confidential treatment. In addition, Gillette responded to a Staff questionnaire by letter dated January 4, 2001 and to Staff interrogatories by letter dated March 15, 2001.

According to the petition, Gillette was organized as CGI Communications, Inc. under the laws of the State of New York on November 1, 1994. On November 4, 1994, its Certificate of Incorporation was amended to change the name of the corporation to Gillette Communications, Inc. On December 6, 1995, its Certificate of Incorporation was again amended to change its name to Gillette Global Network, Inc. Its principal offices are located at 270 Madison Ave., 6<sup>th</sup> Floor, New York, New York 10006. Petitioner submitted copies of its Articles of Incorporation, its New York Certificate of Good Standing and its New Jersey Certificate of Authority to Operate as a Foreign Corporation. Petition at 3, Exhibit A; March 15, 2001 letter.

According to the petition, Gillette was formed to provide local exchange services. Petition at 1. Petition advised that Gillette is currently authorized to provide resold and facilities-based interexchange services in Connecticut, Georgia, Massachusetts, Montana and Texas and is authorized to provide facilities-based and resold local exchange and interexchange services in New York. March 15, 2001 letter. Gillette has not been denied authority to provide telecommunications services in any state. In addition, Gillette has no pending civil, criminal or administrative actions against it. Gillette advised that it is currently in the process of researching an opt-in interconnection agreement with Verizon New Jersey.

In its petition, Petitioner advised that it seeks authority to initially provide local exchange services to business customers, but plans to include residential customers at some time in the future. Petitioner's plans include, but are not necessarily limited to, offering basic exchange services, access, data, digital subscriber line, internet and other local calling services. Petition at 5. In addition to its own fiber-optic facilities, Gillette may use facilities leased from other telecommunications providers, services purchased for resale, unbundled network elements, or a combination of these. Petition at 5.

Petitioner requested a waiver of N.J.A.C. 14:1-4.3 and 14:1-5.15, which require that its books and records be maintained in accordance with the Uniform System of Accounts (USOA) and within the State of New Jersey. Petitioner requested permission in the interest of efficiency and to prevent undue burden to maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP). Petition at 8. Petitioner also requests permission to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in New York, New York. Petition at 8. Petitioner also stated that, upon written notice from the Board, it will produce its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records. Petition at 8.

Petitioner asserted that approval of its petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petition at 8. Petitioner also asserted that approval of this petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings. Petition at 8.

With regard to its technical and managerial qualifications, Gillette stated that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petition at 5. Petitioner submitted the professional biographies of its key personnel who, according to Gillette, are well qualified to execute its business plans, and have extensive managerial and technical experience in the telecommunications industry. Petition at 5, Exhibit B.

Petitioner has submitted the recent financial statements of its parent, Gillette Global Network Inc., as evidence of sufficient financing.

By letter dated June 4, 2001, the Division of the Ratepayer Advocate recommended that the Board approve this petition.

## DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's decision that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Gillette's petition and the information supplied in support thereof, the Board FINDS that Petitioner has demonstrated that it possesses the requisite financial, technical and managerial resources which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES Petitioner to provide local exchange telecommunications services in New Jersey subject to approval of its tariff and submission of its own pro forma financial statements. The Board notes that Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided.

Regarding Petitioner's request for waivers of Board rules, the Board FINDS that Petitioner has demonstrated good cause why the Board should grant relief from its requirements for Petitioner to maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board access to its books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES Petitioner's request for the exemptions from maintaining its books and records in New Jersey and under the USOA.

The Board also APPROVES Petitioner's request that its financial records be afforded protection from disclosure.

DATED: 6/28/01

BOARD OF PUBLIC UTILITIES  
BY:

(signed)  
CAROL J. MURPHY  
ACTING PRESIDENT

(signed)  
FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:

(signed)  
FRANCES L. SMITH  
SECRETARY